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**127th MAINE LEGISLATURE
THE JOINT STANDING COMMITTEE ON LABOR, COMMERCE, RESEARCH AND
ECONOMIC DEVELOPMENT**

Re: Testimony in Support of LD 489 and LD 1353

Senator Volk, Representative Herbig, distinguished members of the Joint Standing Committee on Labor, Commerce, Research, and Economic Development, I am Peter DelGreco, President & CEO of Maine & Company, a private non-profit organization that works to attract new businesses, jobs, and investment to Maine.

We build relationships with business leaders who are making site location decisions. We talk to decision makers and their consultants to learn what is important; to learn what criteria drives their investment decisions.

The proposed legislation attempts to address one point that has become clear: the universe of decision makers who prefer right-to-work states is larger than the universe of decision makers who prefer non-right-to-work states. When we take out the sound bites and the passion and look simply at the totals, becoming a right-to-work state will encourage more decision makers to look at Maine.

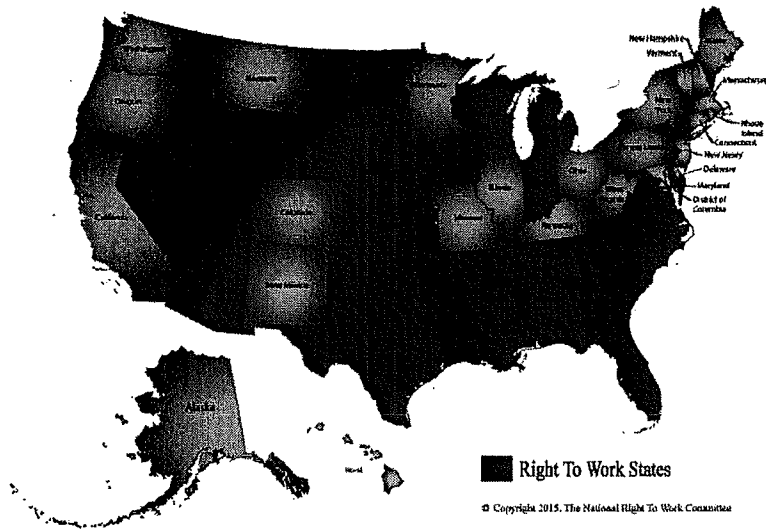
The majority of the states in the US are now right-to-work states. In the last few years, Indiana, Michigan, and Wisconsin have become right-to-work states. As the map below suggests, right-to-work states are growing and spreading across the country. It is far more likely that we will see additional states become right-to-work states than not. One area of the country that has not seen right-to-work legislation passed, however, is the northeast. Passing right-to-work legislation will present Maine with an opportunity to stand out in the minds of people looking at the northeast and its dense population. It will give us an opportunity to lead in a trend that is rapidly heading our way.



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Right To Work States 2015



Right-to-work laws have varying impacts on different industries. One industry where they seem to play an increased role is in manufacturing. Here is a list of the largest manufacturing projects from 2014:



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Top 20 U.S. Manufacturing Projects of 2014

Company	Location	Capital Investment (\$M)	Employees
Tesla Motors	Reno, NV	\$5,000	6,500
Shandong Tralin Paper	Richmond, VA	\$2,000	2,000
Volkswagen Group	Chattanooga, TN	\$600	2,000
Flextronics	Fort Worth, TX	\$3	2,000
Giti Tire	Richburg, SC	\$560	1,700
Terex	Oklahoma City, OK	\$41	1,526
SyberJet	Cedar City, UT	\$380	1,200
Peco Foods	Pocahontas, AR	\$165	1,000
SL Tennessee	Clinton, TN	\$80	1,000
Boeing	Oklahoma City, OK	\$1	900
BMW	Greer, SC	\$1,000	800
Apple	Mesa, AZ	\$1,500	700
Amy's Kitchen	Goshen, NY	\$100	700
Trinity Rail	Cartersville, GA	N/A	500
Yuhuang Chemical	Vacherie, LA	\$1,850	400
Honeywell	Baton Rouge, LA	\$975	353
Energy Transfer Partners	Lake Charles, LA	\$9,000	250
SCT&E	Monkey Island, LA	\$9,250	200
Marathon Petroleum	Garyville, LA	\$2,200	65
General Motors	Flint, MI	\$600	N/A

Here is the source for the information: <http://info.siteselectiongroup.com/blog/top-10-manufacturing-projects-2014>

I do not intend to suggest that right-to-work designation is the only or even most important factor in any decision making process. On the contrary, I believe that every process is unique and subject to the internal views and criteria of each individual company. However, when it comes to manufacturing jobs, the above data points to a simple conclusion: being a right-to-work state increases a location's chance of winning a project, especially large manufacturing projects.

For better or worse, the world of economic development is full of rumors, especially for large manufacturing projects. Right now, the rumors center on Volvo and their plans for a US based manufacturing location. The project is believed to include a \$500 million investment and employ 4,000 people. The three states believed to be under consideration (if the rumors are true) are South Carolina, Georgia, and Alabama. I do not believe it is a coincidence that those three states are right-to-work.



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Would Maine have been a consideration if we were a right-to-work state? Hard to say as 23 other right-to-work states are not currently under consideration either. However, the evidence strongly suggests that going forward, large manufacturing operations will prioritize right-to-work states over non-right-to-work states.

Maine & Company exists to recruit good businesses that will create good jobs in Maine, and we don't differentiate between union and non-union jobs. What we do know is how site location decisions are made and what drives the process. Simply put, becoming a right-to-work state will give Maine additional opportunities to compete for more projects than we have today.